

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2562 - HB 2482**

March 9, 2014

**SUMMARY OF BILL:** Authorizes a municipal electric system or governmental utility authority to construct, lease, or otherwise operate fiber optic facilities to serve education, health care, and economic development projects located within the county where the municipal electric system or governmental utility authority's principal office is located and within each county immediately adjacent to such county. Prior to providing any such services outside the municipal electric system's service area, the system must obtain the written consent of each electric cooperative or municipal electric system in whose territory the system will provide such services.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Under current law, municipal electrics are authorized to provide cable service, internet, and other services to customers, after submitting a detailed business plan with the office of the Comptroller of the Treasury, a public hearing, approval by a two-thirds majority vote of the municipal legislative body, and a public referendum held with a general election.
- The provisions of the bill would remove the requirement for a two-thirds majority vote of the municipal legislative body and the public referendum prior to a municipal electric system is authorized to construct, lease, or otherwise operate fiber optic facilities to serve education, health care, and economic development projects within the designated area.
- It is assumed any approval by the municipal legislative body would have been accomplished at a regularly scheduled meeting and the public referendum is required to be held in conjunction with a general election; therefore any decrease in local government expenditures is estimated to be not significant.

## **IMPACT TO COMMERCE:**

**Other Fiscal Impact – A precise impact to commerce is indeterminable, however is estimated to be positive.**

Assumptions:

- It is unknown how many municipal electric systems will opt to provide such services to health care or economic development projects, how many of such projects will be in partnership with a private business, the extent of any fees assessed for such services being provided, and how such private businesses will be impacted; therefore a precise impact to commerce throughout the state is indeterminable, however is estimated to be positive.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise'.

Lucian D. Geise, Executive Director

/jrh